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DE RUEHSG #1110 3521845
ZNR UUUUU ZZH
R 171845Z DEC 08
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4147
INFO RUEHAC/AMEMBASSY ASUNCION 3678
RUEHBO/AMEMBASSY BOGOTA 2213
RUEHBU/AMEMBASSY BUENOS AIRES 1191
RUEHBR/AMEMBASSY BRASILIA 0585
RUEHCV/AMEMBASSY CARACAS 1882
RUEHPE/AMEMBASSY LIMA 5858
RUEHMN/AMEMBASSY MONTEVIDEO 4153
RUEHQT/AMEMBASSY QUITO 2033
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 001110

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - DECEMBER 17

Lead Stories

1. Dailies highlighted Raul Castro's participation at the Latin American and Caribbean Summit in Brazil. Also highlighted was the drop in the price of gasoline.

U.S.-Related Stories

2. Chilean and U.S. delegations discussed the results of the FTA, in effect since January 1, 2004. The head of the Chilean delegation, Andres Rebolledo, expressed satisfaction that during the first five years of the agreement bilatera trade has grown by 155%. The United States is the source of the largest percentage of accumulated direct investment in Chile since 1974, which amounts to US\$16.537 billion through July of this year. This is 25% of the total (Estrategia, business and financial, circ. 30,000, 12/17).

3. Finance Minister Andres Velasco will travel to New York to meet with investment bank officials and assess the state of the global financial crisis (Estrategia, 12/17).

4. The Superintendency of Banks and Financial Institutions informed today that the Santander-Santiago Bank is the only financial institution in Chile that has reported losses due to the fraud committed in the United States by Bernard Madoff (La Nacion, government-owned, editorially independent, circ. 4,200, 12/17).

Cuba

5. The Latin America and Caribbean Summit taking place in Brazil included sessions of Mercosur, UNASUR, and the Rio Group. Both progressive and conservative heads of states in Mercosur unanimously called for the U.S. to lift the embargo on Cuba, and agreed to open their markets to an array of Bolivian products that will no longer be able to enter the United States duty-free under the Andean Trade Promotion and Drug Eradication Act (ATPDEA). With regard to the Rio Group, Brazilian Foreign Minister Celso Amorin said that Cuba's accession to the group could be interpreted as a message for the United States: "showing the direction in which the wind is blowing."

The UNASUR extraordinary meeting created a Defense Council to promote military exchanges, mutual trust, and coordination of activities related to peace missions and aid relief, among other things (La Nacion, 12/17).

6. Diplomatic sources who asked for anonymity said Foreign Minister Alejandro Foxley officially expressed to his counterpart in Cuba

Bachelet's desire to meet with representatives of the Cuban opposition during her visit to the island. Reportedly, the Cuban Foreign Ministry committed "only to possibly review the request" (El Mercurio, 12/17).

¶7. President Hugo Chavez proposed to extend until April 2009 the vote to decide who will become the UNASUR Executive Director. Bachelet, as head of the entity, agreed. This action prevented the bloc from an imminent break (El Mercurio, 12/17).

¶8. The Chamber of Deputies passed a bill requesting President Bachelet recognize the State of Palestine and to elevate the status of its diplomatic mission in Chile from a Consulate to an Embassy (La Tercera, 12/17).

SIMONS